

**EXECUTIVE MANAGEMENT AND PROFESSIONAL EMPLOYEES
(UNIT 99)
BENEFITS FACT SHEET – TIER 3***

Tier 3 Eligibility	
Tier 3 is an option for employees hired into Unit 99 who have never been a member of a City of San Jose retirement plan, on or after February 3, 2013, that provides for a defined contribution plan in lieu of the Tier 2 defined benefit program. An eligible employee must not have previously been a member of a City of San Jose retirement system.	
One-Time Election Period	
Timeline	An employee must sign an irrevocable election form on his or her first day of employment with the City electing to participate in Tier 3. If no irrevocable election form is signed, the employee will be automatically placed into the Tier 2 defined benefit plan.
Contributions	
Employee	3.75% of employee's salary into a 401(a) defined contribution plan
City	3.75% of employee's salary into a 401(a) defined contribution plan
Maximum Contribution Amount	\$72,000/year (2026) (subject to cost of living adjustment by IRS)
Deferred Compensation	An employee may elect to contribute additional funds toward an optional deferred compensation account (457b).
401(a) Account	
Provider	Voya Financial
Rollover Contributions	Tier 3 Members may contribute eligible rollover distributions from an eligible plan or IRA to this Plan.
Distribution Options	Lump-sum, eligible rollover distribution to an eligible plan or IRA, immediate or deferred annuity, or systematic distribution option as provided by the provider.
Medical Benefits	
Eligibility	Tier 3 Members are not eligible for retiree healthcare.
Dental Benefits	
Eligibility	Tier 3 Members are not eligible for retiree dental benefits.

SURVIVORSHIP BENEFITS

Death Before Retirement	TIER 3
Distribution of Benefits Upon Death	Upon the death of a Tier 3 Member before retirement, the account will be distributed to the Member's beneficiary. If no beneficiary has been designated, the account will be payable to the Member's estate.

The information contained on this Fact Sheet is a summary for the Tier 3 members in Unit 99. Please consult the Municipal Code for complete information.

For more information please contact the Human Resources Department at
(408) 535-1285.

***Note: This benefit is provided to meet the requirements to be in lieu of social security for employees in Tier 3.**